



Division of Behavioral Health Services

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TO: RBHA CEOs and TRBHA Directors

FROM: Laura K. Nelson, M.D. 
Acting Deputy Director
Margaret Russell 
Bureau Chief of Policy

SUBJECT: **POLICY CLARIFICATION: Non-Title XIX/XXI eligible persons with Serious Mental Illness (SMI) who have Third Party Insurance**

DATE: January 8, 2009

This memorandum is intended to clarify the responsibilities of Tribal and Regional Behavioral Health Authorities (T/RBHAs) and T/RBHA providers in meeting the Arizona Department of Health Services/Division of Behavioral Health Services' (ADHS/DBHS) expectations regarding the following policies:

- Provider Manual Section 3.4, Co-payments; and
- Provider Manual Section 3.5, Third Party Liability and Coordination of Benefits.

Provider Manual Section 3.4, Co-payments, requires the use of a sliding fee scale (PM Form 3.4.1) to determine co-payment amounts for Non-Title XIX/XXI eligible persons. While Non-Title XIX/XXI eligible persons with Serious Mental Illness (SMI) are also assessed co-payments in accordance with A.R.S. 36-3409, PM section 3.4 states that persons determined SMI must not be terminated or denied services due to nonpayment of co-payments. Provider Manual Section 3.5, Third Party Liability and Coordination of Benefits, establishes cost sharing requirements (e.g., co-payments, coinsurance, premiums, deductibles) for persons with third party insurance based on Title XIX/XXI eligibility, but does not specifically address cost sharing responsibilities for Non-Title XIX/XXI eligible persons with SMI who have third party insurance. The purpose of this policy clarification memorandum is to communicate ADHS/DBHS' expectations regarding cost sharing responsibilities of Non-Title XIX/XXI eligible persons with SMI and to clearly associate requirements established in PM Section 3.4 with requirements established in PM Section 3.5. Currently, PM Section 3.5 states, "Non-Title XIX/XXI persons must pay any co-payment, coinsurance or deductible of the third party insurer." With regard to persons determined to have a Serious Mental Illness, the following requirements also apply:

- Persons with SMI must be informed prior to the provision of services of any fees associated with the services; and
- Persons with SMI must not be denied services for non-payment of co-payments;

The above mentioned requirements will be incorporated in the revised version of PM Section 3.5, Third Party Liability and Coordination of Benefits. In addition, the following clarification will be incorporated into PM Section 3.5 regarding Non-Title XIX/XXI eligible persons with SMI who have third party insurance:

- Persons who have an established co-payment amount determined using the sliding fee scale (PM Form 3.4.1) will pay the lesser of the amount for the service when the person also has a co-payment,

coinsurance or deductible required by a third party insurer. T/RBHAs are responsible for covering the difference between the sliding fee scale amount and the co-payment, coinsurance or deductible required by the third party insurer;

- T/RBHAs are not responsible for covering co-payments, coinsurance or deductibles for persons choosing to receive services outside of the T/RBHA network, except when the T/RBHA has secured a single case agreement with an out of network provider for services not available in network;
- Providers must notate in a person's clinical record when the person is unable or unwilling to pay a co-payment and ensure that the person is not repeatedly requested to pay co-payments at subsequent appointments for services. The provider will discuss the sliding fee scale and applicable co-payments with the person upon the person's next Title XIX/XXI screening or upon any significant changes in the person's financial status.